

## DEPARTMENT OF THE TREASURY

### DRAFT STANDARD BUSINESS CASE TEMPLATE

For the FY 2001 Executive Budget submission, all proposed capital investments must be in the process of being reviewed by the TIRB or bureau IRB, and all proposed capital investments must have supporting documentation. The Department has developed a **draft** standard business case template to be used for projects being evaluated by the new Treasury Investment Review Board (TIRB). The TIRB will review this proposed template at their first meeting this Spring. For the FY 2001 Departmental budget process, the Department does not require that supporting documents for capital investments conform to the template. However, the Department encourages Bureaus to begin using this template as they develop future projects for evaluation by the TIRB or bureau IRBs. The Department requires that all capital investments proposed in the FY 2001 OMB submission be endorsed by the TIRB or bureau IRB.

The business case is a high level document that provides adequate information for executives to make a decision to approve or disapprove a project. It supports the requirements of the OMB “Capital Programming Guide.” *Please review the requirements for OMB’s Exhibits 300A (Impact of Full Funding of Capital Assets) and 300B (Capital Asset Plan and Justification) and incorporate responses to those requirements in the business case.* **Although not required at this time, bureaus should be ready to provide the Budget Authority and Outlay data required in Exhibits 300A and 300B. These exhibits will be required in August.**

- ◆ **Description:** Provide the name of the project. Define the project by describing what it is, what it will accomplish.
- ◆ **Chronology of Events:** Provide a brief history of the project; including, a descriptive list or summary of any studies, briefings, executive recommendations, and Decision Support Team designation.
- ◆ **\*Justification/Benefits of Project:** Describe the business need by defining the reasons for pursuing the project. List the benefits to treasury, including a clear statement of how the asset will help Treasury meet its mission, its long term strategic goals and objectives and the annual performance plan required by GPRA.
- ◆ **\*Program Management:** Who will manage it, and how it will be managed, particularly in regard to project cost control? Describe who is responsible for managing the project and controlling costs as well, and list elements of the project that will assist in controlling costs. (1) Is there a program manager and contracting officer devoted to the project? and (2) Will an Integrated Project Team (Decision Support Team) be established to assist with the management of the project?
- ◆ **\*OMB’s “three pesky questions”:** Provide answers to the three questions:
  - Does the investment in a major capital asset support core/priority mission

functions that need to be performed by the Federal Government?

- Does the investment need to be undertaken by the requesting agency because no alternative private sector or governmental source can better support the function?
  - Does the investment support work processes that have been simplified or otherwise redesigned to reduce costs, improve effectiveness, and make maximum use of commercial off-the-shelf technology?
- ◆ **Decision Support Team Findings and Recommendations/Strategic Approach:** Please include as Attachment 1 to the Standard Business Case.
- ◆ **\*Acquisition Strategy:** *Please see OMB A-11, Exhibit 300B, section C. Acquisition Strategy for direction.* Include the following –
- Ways to manage procurement risk,
  - Whether the acquisition will be accomplished with a single contract or several contracts,
  - A summary of the acquisition strategy and
  - The type of contract selected.
- ◆ **\*Financial Basis for Selecting the Project / Cost Benefit Analysis Highlights:** This section will be based on a cost benefit analysis conducted by the Bureau or the DST prior to submitting a business case. The analysis may vary, depending on the type of project being studied. For example, a business case for a new building may require a cost benefit analysis of various financing alternatives and/or different construction methods.

At a minimum, the DSTs should ensure that the following items (take from OMB's "Capital Programming Guide", pp 12-13) are addressed:

- Identify assumptions and constraints
- Identify and quantify benefits and costs (on a full life cycle basis)
- Evaluate alternatives using net present value criterion (discounted value of expected benefits less discounted value of expected costs; see OMB Circular A-94)
- Perform risk and sensitivity analysis
- Describe depreciation factors

Note that graphs are valuable aids in presenting highlights; for example, a comparison of the costs for doing business as usual with the costs for a new system.

- ◆ **\*Adherence to Architecture and Infrastructure Standards (IT Projects Only):** *Please see OMB A-11, Exhibit 300B, Part II, Section E. Adherence to ... for direction.*
- ◆ **\*Budget Overview and Impact:** Show the estimated life-cycle costs, how the project

will be funded, and resource requirements by fiscal year. Please include the chart as Attachment 2 to the Standard Business Case, using the format shown on the attached Lotus spreadsheet called “Budget Impact of XX System.”

- ◆ **\*Major Milestones:** List the major milestones and show a time line in graph format.
- ◆ **\*Cost, Schedule, and Performance Goals:** *Please see OMB A-11, Exhibit 300B, Part III for direction.* Describe performance-based system, original baseline, current baseline, variance from current baseline and latest revised estimate.

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\*Indicates Standard Business Case items drawn from OMB All, Exhibit 300B.

## **ATTACHMENT 1**

### **Findings and Recommendations/Strategic Approach of the Decision Support Team**

- Describe the results of the DSTs analysis.
- Describe what Treasury must do to attain the necessary benefits of the project. DSTs should include a synopsis of a baseline assessment and identification of “performance gap” (i.e., dollars required to allow agency to meet performance goals). Describe the strategy (including a general time line) by which Treasury will successfully develop the project.